

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6328

BILL NUMBER: SB 278

NOTE PREPARED: Feb 1, 2005

BILL AMENDED: Jan 27, 2005

SUBJECT: Riverboat Revenue from Development Agreements.

FIRST AUTHOR: Sen. Meeks

BILL STATUS: 2nd Reading - 1st House

FIRST SPONSOR:

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) The bill specifies requirements for the handling of money received under a development agreement between the licensed owner of a riverboat and a political subdivision. The bill requires operating agents and riverboat owners to annually report to the Gaming Commission the amounts of incentive payments made to political subdivisions or the state.

Effective Date: July 1, 2005.

Explanation of State Expenditures: (Revised) The bill requires the Indiana Gaming Commission (IGC) to prescribe the format and filing deadline for the incentive payment report to be made annually to the IGC by the licensed owner of a riverboat casino, and the operating agent of the Orange County riverboat casino.

If local units to use the revenue from these local agreements to reduce the local unit's property tax levy for a particular year, the state's expenditures for Property Tax Replacement Credits and Homestead Credits could be reduced. These credits are paid from the Property Tax Replacement Fund, which is annually supplemented by the General Fund.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: (Revised) The bill establishes requirements for budgeting and spending revenue from development agreements between local units and riverboat casino owners. These requirements

are consistent with current law budgeting and spending requirements for local units relating to revenue from the Riverboat Admission Tax and the Riverboat Wagering Tax.

The bill requires local units that receive revenue under a riverboat development agreement to prepare an estimate of the amount of revenue to be received during the budget year consistent with estimates that must be completed for other revenues. The bill specifies that revenue from a riverboat development agreement is miscellaneous revenue, and that it may be used for any legal or corporate purpose of the local unit, including pledging the revenue to bonds, leases, or other obligations. The bill also specifies that riverboat development agreement revenue may not be used to reduce a local unit's maximum levy. However, the bill authorizes local units to use the revenue to reduce the local unit's property tax levy for a particular year.

State Agencies Affected: Indiana Gaming Commission.

Local Agencies Affected: Local units receiving revenue from riverboat development agreements.

Information Sources:

Fiscal Analyst: Jim Landers, 317-232-9869.